

# Student Unit Discloses CIA Subsidy

## NSA Is Breaking Link, Says It Won't Accept New Funds

By Andrew J. Glass  
Washington Post Staff Writer

The National Student Association, the largest and oldest student organization in the United States, said last night that it has been subsidized by the Central Intelligence Agency since the early 1950s.

But the student group said it has been striving for the last two years to break its "covert relationship" with the CIA and that no new CIA funds were being accepted for its current \$825,000 annual budget.

W. Eugene Groves, NSA's president, issued a lengthy statement in which he said that officers and employees of the organization "to our knowledge" had neither carried out "intelligence functions" nor provided "information of a sensitive nature" to any Government agency.

### How It Started

Independent sources said the subsidy from the CIA to the student group was established and maintained at a time when Communist governments were sponsoring a host of youth congresses and a need was felt, within the CIA, to have the American student position represented at these meetings.

Groves, a 23-year-old former Rhodes scholar, said he had recently met with Vice President Humphrey in an effort to procure, through him, new funds for the student group from large corporations and foundations.

Last month, Groves said, he also conferred with Douglas S. Cater, a special assistant to President Johnson, to explain the long-standing link between his group and the CIA and to ask his advice on how to deal with the matter if it

became public knowledge. He said Cater had no previous awareness of the CIA ties to the student group.

### Topped \$100,000 a Year

The CIA had no immediate comment.

It was learned, however, that the agency's payments to NSA, handled mainly through private foundations, have in the past exceeded \$100,000 a year. In recent years, the CIA subsidy has declined to less than \$50,000 annually.

Groves issued his statement in response to full-page ads by Ramparts magazine published in today's editions of The Washington Post and The New York Times.

In the ads, the magazine said that its March issue will contain a 10,000-word account of "how the CIA has infiltrated and subverted the world of American student leaders over the past 15 years" and how "it has used students to spy."

Richard Stearns, 22, NSA's vice president for international affairs, said he had been approached by Ramparts and offered the use of the magazine's subscription list for fund-raising purposes if he, in turn, would cooperate with the magazine's planned exposure.

The NSA statement said that Ramparts "threatened the destruction" of the student group if its officers failed to corroborate its story.

A spokesman for Ramparts denied both these charges.

NSA has more than 300 member colleges in the United States and is affiliated with about 60 student groups overseas. Its 50-man staff is headed by Groves, who is paid a salary of \$4000 a year.

In his statement, Groves said that "the (present) officers of the association did not know that funds were being received which originated from the CIA."

The statement added that NSA repeatedly presented its views to Government officials and that "it insisted strenuously on these views, often to the detriment of its own popularity in Government circles." Later, the group deleted this remark.

Groves said that in 1965 NSA was provided a rent-free headquarters at 2115 S st. nw. and that it was given \$20,000 to furnish the handsome town

He said the mortgage on the building is held by the

First National Bank of Washington on behalf of NSA and the Independence Foundation in Boston, which makes all of the payments.

The forthcoming Ramparts article will name the Independence Foundation as one of five such groups that are handling CIA funds for the NSA account. Paul Hellmut, the foundation's principal trustee, was said to have "led for an urgent meeting" where he was called by The Washington Post for comment.

Groves and Stearns said Ramparts initially received information from Michael Wood, NSA's former director of development, who, they said, was fired last September.

The NSA president said the CIA had been advised of what position the group would take if the intelligence agency's long involvement with them became known.

The NSA statement said that since the 1950s, "officers and a few staff members knew

of this relationship (with the CIA), though most of the staff and participants in NSA programs did not."

The statement added that CIA funds "supported a number of projects assisting student groups abroad and promoting international understanding on American campuses, and the staff necessary to maintain continuing contact with student organizations in other countries."

In 1965, Stearns said, the officers of the Association decided that the relationship was "intolerable."

"The decision to disengage was a difficult one, causing personal dislocation, and financial hardship," the statement said.

"USNSA programs have involved dedicated and idealistic students in the U.S. and

abroad. It was the intolerability of the dishonest character of a covert relationship with an official government agency that led to the decision to terminate it . . .

"We believe that the Association is carrying forward many useful and significant programs. We deeply regret that a subrosa relationship will inevitably jeopardize these activities and cast doubts on the thousands of students here and abroad who have worked with NSA in good faith."

"It is unfortunate that the revelation will damage innocent people, and make the work of the Association difficult, if not impossible, but at the same time we are grateful to a free and open press for protecting our democratic position."

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